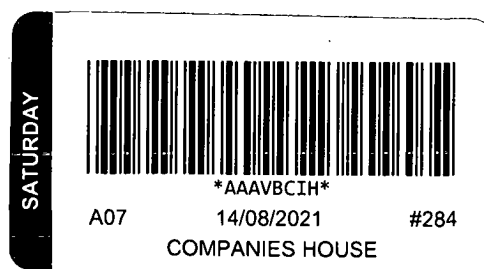


Company Registration No. 00373440 (England and Wales)

**INTERTEK UK HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# INTERTEK UK HOLDINGS LIMITED

## COMPANY INFORMATION

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Directors	F M Evans	
	J Timmis	(Appointed 12 April 2021)
	J Hedley	(Appointed 12 April 2021)
Company number	00373440	
Registered office	Academy Place 1-9 Brook Street Brentwood Essex CM14 5NQ	
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	

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# **INTERTEK UK HOLDINGS LIMITED**

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# INTERTEK UK HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors of Intertek UK Holdings Limited (the "Company") present the Strategic Report and audited financial statements for the year ended 31 December 2020.

#### Review of the business

The results for the year and the state of affairs of the Company at 31 December 2020 are shown in the financial statements on pages 9 to 26.

#### Principal risks and uncertainties

The principal risks and uncertainties affecting the Company are closely aligned with those discussed in the Intertek Group Plc's (the "Group") annual report, which is publicly available from the Group Company Secretary, Intertek Group plc, 33 Cavendish Square, London, W1G 0PS or on the website [www.intertek.com](http://www.intertek.com). Risks relating specifically to the Company are as follows:

#### Financial risk management

##### Market risk

At 31 December 2020, the Company had investments in Group companies of £53,917,000 (2019: £53,917,000) and amounts due from Group companies of £17,921,000 (2019: £11,335,000). A sustained period of economic recession could impact the operating results and financial position of these Group companies and impact their carrying value and ability to repay the amounts due to the Company.

Covid-19 has impacted on economies worldwide and the Group has not been immune to the impact of the virus; the Group's 2020 performance has been impacted by the disruption to the supply chains of clients and the impact on global trade activities. The Directors have considered the latest forecasts of the counterparty and its subsidiaries' performance, which include the impact of Covid-19, when reviewing the carrying value of investments in Group companies and amounts due from Group companies.

##### Foreign exchange risk

The amounts payable to, and receivable from, Group undertakings include amounts denominated in currencies other than sterling; therefore, fluctuations in currency exchange rates will impact the results and financial position of the Company.

#### Key performance indicators

As a holding company which also provides funding to other Group companies, performance is monitored by a review of the Company's investments by reference to underlying intercompany balances for their susceptibility to impairment.

#### Environment

The Company is committed to complying with relevant environmental legislation and preventing any adverse impact on the environment as a result of its operations. Where an adverse environmental impact is identified, a practicable, timely and environmentally sympathetic solution will be implemented. If a serious risk to the environment is identified, that activity will be halted and appropriate remedial action taken to eliminate the risk.

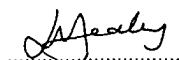
#### S172(1) statement and stakeholder engagement

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with the Group policies and procedures which are discussed on pages 64 to 70 of the annual report of Intertek Group plc, which does not form part of this report.

#### Employees

The Company employed no people on average in 2020 (2019: none).

On behalf of the Board



J Hedley

Director

04 August 2021

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# INTERTEK UK HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors present their annual report and audited financial statements for the year ended 31 December 2020.

#### Principal activities

The principal activity of the Company is, and will continue to be, that of a parent undertaking with interests in subsidiary undertakings which provide testing, inspection and certification services.

#### Results and dividends

The results for the year are set out on page 9.

Income from shares in Group undertakings of £6,500,000 (2019: £2,689,000) was received in the year.

Dividends of £Nil (2019: £Nil) were paid in the year. The Directors do not propose the payment of any further dividends in respect of the year.

#### Directors

The Directors who held office during the year and up to the date of signature of the financial statements are as follows:

F M Evans	
R McCluskey	(Resigned 12 April 2021)
N A Hare	(Resigned 12 April 2021)
J Timmis	(Appointed 12 April 2021)
J Hedley	(Appointed 12 April 2021)

#### Future developments

The Company will continue to be a holding company for its subsidiary companies for the foreseeable future. The entity continues to operate as a going concern as discussed within note 1 on page 13.

#### Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Strategic report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of:

- principal risks and uncertainties; and
- financial key performance indicators.

#### Statement of disclosure to independent auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's independent auditors are unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's independent auditors are aware of that information.

#### Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Intertek Group plc. The Directors have received confirmation that Intertek Group plc, having considered the impact of Covid-19, intends to support the Company for at least one year after these financial statements are signed.

## **INTERTEK UK HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Directors' indemnities**

As permitted by the Articles of Association, the company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors. No qualifying third party indemnity provisions for the benefit of its Directors were made during the year.

The financial statements on pages 8 to 26 were approved by the Board of Directors on 04 August 2021 and signed on its behalf by



.....  
J Hedley  
Director

Date: .....04 August 2021.....

## **INTERTEK UK HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INTERTEK UK HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Intertek UK Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



## **INTERTEK UK HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

#### **TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED**

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##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

##### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

##### **Responsibilities for the financial statements and the audit**

###### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## INTERTEK UK HOLDINGS LIMITED

### INDEPENDENT AUDITORS' REPORT (CONTINUED)

#### TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED

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##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to fraud and indirect and direct tax laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate or fictitious journal entries to manipulate the financial performance or financial position of the Company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance and the Group's legal counsel around actual and potential fraud and non-compliance with laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.
- Enquiry of Group's staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Obtaining and understanding the results of whistleblowing procedures and assessing any related investigations.
- Enquiry of the Group's Head of Internal Audit and reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## INTERTEK UK HOLDINGS LIMITED

### INDEPENDENT AUDITORS' REPORT (CONTINUED)

#### TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED

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##### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **Other required reporting**

###### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Christopher Solomides (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
4 August 2021

## INTERTEK UK HOLDINGS LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

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		2020	2019
	Note	£'000	£'000
Administrative expenses		(17)	(1,879)
Income from shares in Group undertakings		6,500	2,689
Interest receivable from Group undertakings		113	385
Interest payable to Group undertakings	5	(4,398)	(4,874)
<b>Profit/(loss) before taxation</b>		<b>2,198</b>	<b>(3,679)</b>
Tax on profit/(loss)	6	811	660
<b>Profit/(loss) and total comprehensive income/ (expense) for the financial year</b>		<b>3,009</b>	<b>(3,019)</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

# INTERTEK UK HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	8	1,408	1,441
Investments	9	53,917	53,917
		<u>55,325</u>	<u>55,358</u>
<b>Current assets</b>			
Debtors falling due after more than one year	11	-	2,579
Debtors falling due within one year	11	18,802	12,185
Cash at bank and in hand		100	111
		<u>18,902</u>	<u>14,875</u>
<b>Creditors due within one year</b>			
Creditors	13	(103,391)	(13,018)
		<u>(84,489)</u>	<u>1,857</u>
<b>Net current (liabilities)/assets</b>			
		<u>(29,164)</u>	<u>57,215</u>
<b>Total assets less current liabilities</b>			
		<u>(29,164)</u>	<u>57,215</u>
<b>Creditors: amounts falling due after more than one year</b>			
Loans and overdrafts	14	-	(89,388)
		<u>(29,164)</u>	<u>(32,173)</u>
<b>Net liabilities</b>			
		<u>(29,164)</u>	<u>(32,173)</u>
<b>Capital and reserves</b>			
Called up share capital	16	8,918	8,918
Share premium account		641	641
Profit and loss reserves		(38,723)	(41,732)
		<u>(29,164)</u>	<u>(32,173)</u>
<b>Total equity</b>		<u>(29,164)</u>	<u>(32,173)</u>

The notes to the financial statements on pages 13 to 26 form an integral part of these financial statements.

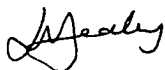
## **INTERTEK UK HOLDINGS LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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The financial statements were approved by the Board of Directors and authorised for issue on 04 August 2021 and are signed on its behalf by:



.....  
J Hedley  
Director

**Company Registration No. 00373440**

# INTERTEK UK HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2019	8,918	641	(38,713)	(29,154)
Year ended 31 December 2019:				
Loss and total comprehensive expense for the financial year	-	-	(3,019)	(3,019)
Balance at 31 December 2019	8,918	641	(41,732)	(32,173)
Year ended 31 December 2020:				
Profit and total comprehensive income for the financial year	-	-	3,009	3,009
Balance at 31 December 2020	8,918	641	(38,723)	(29,164)

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Intertek UK Holdings Limited (the "Company") is a private company limited by shares incorporated and domiciled in England and Wales. The registered office address is Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of the International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

These accounting policies have been applied consistently, other than where new policies have been adopted.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64 (p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Intertek Group plc in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangible Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17, 18(a) of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the Group financial statements of Intertek Group plc. The Group financial statements of Intertek Group plc are available to the public and can be obtained as set out in note 19.



# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the Company as an individual entity and not about its group.

Intertek UK Holdings Limited is a wholly owned subsidiary of Intertek Group plc, the ultimate parent undertaking, and the results of Intertek UK Holdings Limited are included in the consolidated financial statements of Intertek Group plc which are available from 33 Cavendish Square, London, W1G 0PS or on the website [www.intertek.com](http://www.intertek.com).

#### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report on pages 2 and 3. The Company generated a profit of £3,009,000 (2019: a loss of £3,019,000) in the year and has net current liabilities of £84,489,000 (2019: net current asset £1,857,000) as at 31 December 2020. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Intertek Group plc. The Directors have received confirmation that Intertek Group plc, having considered the impact of Covid-19, intends to support the Company for at least one year after these financial statements are signed. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% straight-line basis
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#### 1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.5 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the Company from the adoption of IFRS 13.

#### 1.7 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### *Financial assets held at amortised cost*

Trade debtors are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Estimates are used in determining the level of debtors that will not, in the opinion of the Directors, be collected. The Company applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all debtors, including contract assets.

The provision calculations are based on historic credit losses and specific country-risk classifications with higher default rates applied to older balances. This approach is followed for all debtors unless there are specific circumstances, such as the bankruptcy of a customer or emerging market risks, which would render the debtor irrecoverable and therefore require a specific provision. A provision is made against trade debtors and contract assets until such time as the Company believes the amount to be irrecoverable, after which the trade debtors or contract assets balance is written off.

Other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'other debtor'. Other debtors are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term debtors when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### *Financial assets at fair value through other comprehensive income*

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

#### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.8 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

#### *Other financial liabilities*

Other financial liabilities, including loans and overdrafts, trade creditors and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

### 1.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Dividends on shares presented within shareholders' funds

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

### 2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Critical judgements**

##### **Recoverability of debtors**

Amounts owed by Group undertakings are recognised initially at the value of the invoice or loan raised and subsequently at the amounts considered recoverable (amortised cost). Estimates are used in determining the level of debtors that will not, in the opinion of the Directors, be collected. The Company applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all debtors. The provision calculations are based on a review of all debtors to see if there are specific circumstances which would render the debtor irrecoverable and therefore require a specific provision.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Critical accounting estimates and judgements

(Continued)

#### Investments impairment review

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Estimates are used in determining the level of investment that will not, in the opinion of the Directors be recoverable.

### 3 Operating loss

	2020 £'000	2019 £'000
Operating loss for the year is stated after charging:		
Fees payable to the Company's independent auditors for the audit of the Company's financial statements	1	1
Depreciation of property, plant and equipment	33	33
Impairment loss recognised on investments and other debtors	-	1,860
	<u>          </u>	<u>          </u>

Amounts disclosed above reflect services provided by the Company's auditor in respect of auditing these financial statements. These amounts, however, have been paid by the ultimate parent company, Intertek Group plc.

### 4 Employees

The Company employed no persons in the year (2019: nil).

### 5 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to Group undertakings	4,398	4,874
	<u>          </u>	<u>          </u>

### 6 Tax on profit/(loss)

	2020 £'000	2019 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current year	(811)	(850)
Adjustments in respect of prior periods	-	185
	<u>          </u>	<u>          </u>
<b>Total UK current tax</b>	(811)	(665)
Foreign taxes and reliefs	-	5
	<u>          </u>	<u>          </u>
<b>Taxation (credit)</b>	(811)	(660)
	<u>          </u>	<u>          </u>

In the Spring Budget 2021, the UK Government announced the main rate of UK corporation tax would remain at 19% until April 2023 when it will increase to 25%. The proposed increase in the rate of UK corporation tax is expected to be enacted in Finance Act 2021. As the rate change has not been substantively enacted, it has not been taken account of in computing the UK deferred tax assets and liabilities. The rate change is expected to be substantively enacted during 2021.

## INTERTEK UK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 6 Tax on profit/(loss)

(Continued)

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2020 £'000	2019 £'000
Profit/(loss) before taxation	2,198	(3,679)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2019: 19.00%)	418	(699)
Effect of expenses not deductible in determining taxable profit	6	359
Income not taxable	(1,235)	(510)
Adjustment in respect of prior periods	-	185
Effect of overseas tax rates	-	5
Taxation credit for the year	(811)	(660)

#### 7 Directors' remuneration

None of the Directors were remunerated directly by the Company or any of its subsidiaries (2019: none). The Directors of the Company are remunerated by Group companies, due to no qualifying services being provided in relation to Intertek UK Holdings Limited during the year.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Tangible assets

#### Property, plant and equipment

#### Freehold property £'000

#### Cost

At 1 January 2020

1,675

At 31 December 2020

1,675

#### Accumulated depreciation and impairment

At 1 January 2020

234

Charge for the year

33

At 31 December 2020

267

#### Carrying amount

At 31 December 2020

1,408

At 31 December 2019

1,441



# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Investments

	2020 £'000	2019 £'000
Investments in subsidiaries	53,917	53,917
	<u>53,917</u>	<u>53,917</u>

#### Fair value of financial assets carried at amortised cost

Except as detailed below, the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

#### Movements in fixed asset investments

	Shares in group undertakings £'000
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	68,441
<b>Impairment</b>	
At 1 January 2020 & 31 December 2020	(14,524)
<b>Carrying amount</b>	
At 31 December 2020	53,917
At 31 December 2019	53,917

#### Investment impairment sensitivity

An impairment assessment has been performed for the Company's investments. Where indicators of impairment have been identified, a value in use model has been prepared in order to determine the recoverable amount for each investment. The Company holds an investment in one entity, with a carrying value of £11,312,000, where there is limited headroom between the carrying value and the recoverable amount. The Company has performed a sensitivity analysis where a 10% reduction in forecast profits between 2021-2025 would result in an impairment charge of £618k.

## INTERTEK UK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Subsidiaries

Details of the Company's subsidiaries as at 31 December 2020 are as follows:

Name of undertaking	Country of incorporation	Ownership interest (%)	Class of shares	Address
Electrical Mechanical Instrument Services (UK) Limited	United Kingdom	100%	Ordinary	Unit 19 & 20 Wellheads Industrial Centre, Dyce, Aberdeen, AB21 7GA, Scotland
Esperanza Guernsey Holdings Limited	Guernsey	100%	Ordinary	PO Box 472, St Julian's Court, St Julian's Avenue, St Peter Port, GY1 6AX, Guernsey
Intertek Surveying Services UK Limited	United Kingdom	100%	Ordinary	Averon House, 3 Dail Nan Rocas, Teaninich Industrial Estate, Alness, IV17 0PH, United Kingdom
Intertek Testing & Certification Limited	United Kingdom	100%	Ordinary	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
ITS Testing Services (UK) Limited	United Kingdom	100%	Ordinary	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
Materials Testing & Inspection Services Limited	United Kingdom	100%	Ordinary	CVR Global LLP, Town Wall House, Balkeine Hill, Colchester, Essex, CO3 3AD, United Kingdom
Melbourn Scientific Limited	United Kingdom	100%	Ordinary	Melbourn Scientific, Saxon Way, Melbourn, Hertfordshire, Royston, SG8 6DN, United Kingdom
N T A Monitor Limited	United Kingdom	100%	Ordinary	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England

A full list of indirect related undertakings of Intertek UK Holdings Limited and their country of incorporation are shown below:

Intertek Aruba N.V.	Aruba	100%	Ordinary	Lago Heights Straat 28A, San Nicolas, Aruba
Intertek Azeri Limited	Azerbaijan	100%	Ordinary	2236 Mirza Davud Str., Xatai District, Baku, AZ 1026, Azerbaijan
Intertek Curacao N.V.	Curacao	100%	Ordinary	Barendsiaan #3, Rio Canario Willemstad, Curacao, Netherlands Antilles
Intertek Ltd	Bahamas	100%	Ordinary	Borco Administration Bldg, West Sunrise Highway, Freeport, Grand Bahama, Bahamas
Intertek Statius N.V.	St Eustatius	100%	Ordinary	Man 'O' War #B3, Oranjestad, St. Eustatius, Netherlands Antilles

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Subsidiaries

(Continued)

Name of undertaking	Country of incorporation	Ownership interest (%)	Class of shares	Address
Intertek Surveying Services (USA), LLC	United States	100%	Membership unit	3033 Chimney Rock Road, Suite 625, Houston TX 77056, United States
IntertekGenalysis SI Limited	Solomon Islands	100%	Ordinary	c/o Baoro & Associates, Top Floor, Y. Sato Building, Point Cruz, Honiara, Solomon Islands
ITS Testing Services Co. LLC	Saudi Arabia	100%	Ordinary	Ras Tanura KSA, PO Box 216, 31941, Saudi Arabia
Metoc Limited	United Kingdom	100%	Ordinary-A	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
NDT Services Limited	United Kingdom	100%	Ordinary-A	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
N T A Academy Limited	United Kingdom	100%	Ordinary	CVR Global LLP, Town Wall House, Balkerne Hill, Colchester, Essex, CO3 3AD, United Kingdom
N T A Monitor (M) Sdn Bhd	Malaysia	100%	Ordinary	No. 18-B, Jalan Kancil off Jalan Pudu, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia

### 11 Debtors

	Due within one year		Due after one year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
VAT recoverable	70	-	-	-
Amounts owed by fellow Group undertakings	17,921	11,335	-	2,579
Current tax recoverable	811	850	-	-
	<u>18,802</u>	<u>12,185</u>	<u>-</u>	<u>2,579</u>

Amounts due from Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. A mixture of the amounts due is interest bearing and interest free.

### 12 Credit risk

Credit risk arises in relation to loans receivable from other Group entities.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk.

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Credit risk

(Continued)

#### Past due and impaired financial asset investments

A credit loss assessment was made under IFRS 9 for all current debtors. It was determined, based on an assessment of current liquidity and the availability of future operating cash flows, that amounts due from Group undertakings should be reported net of accumulated impairment provisions of £Nil (2019: £Nil).

### 13 Creditors

	2020 £'000	2019 £'000
Amounts owed to fellow Group undertakings	103,391	13,018
	<u>103,391</u>	<u>13,018</u>

Amounts due to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. A mixture of the amounts due is interest bearing and interest free.

### 14 Loans and overdrafts

	2020 £'000	2019 £'000
Unsecured borrowings at amortised cost		
Loans from fellow group undertakings	-	89,388
	<u>-</u>	<u>89,388</u>

#### Analysis of loans and overdrafts

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £'000	2019 £'000
Due after one year liabilities	-	89,388
	<u>-</u>	<u>89,388</u>

### 15 Market risk

#### Market risk management

# INTERTEK UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 15 Market risk

(Continued)

##### Interest rate risk

The carrying amounts of financial liabilities and applicable interest rates at the reporting date are as follows:

	Weighted average effective interest rate	
	2020	2019
Amounts owed to fellow Group undertakings	4.46%	4.83%

#### 16 Called up share capital

2020	2019
£'000	£'000

##### Ordinary share capital

##### *Issued and fully paid*

8,918,043 (2019: 8,918,043) Ordinary Shares of £1 each	8,918	8,918
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#### 17 Contingent liabilities

The Company is a member of a group of UK companies that are a part of a composite banking cross-guarantee arrangement. This is a joint and several guarantee given by all members of the Intertek UK cash pool guaranteeing the total gross liability position of the pool which was £3,957,000 at 31 December 2020 (2019: £2,806,000). The Company has also guaranteed the lease obligations of a fellow Group company.

From time to time, in the normal course of business, the Company may give guarantees in respect of certain liabilities of other Group undertakings. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### 18 Related party transactions

Under FRS 101 reduced disclosure framework, the Company has taken advantage of the exemption from the IAS24 requirement to disclose transactions with entities that are wholly owned by the Group and disclosures in respect of the compensation of key management personnel.

#### 19 Controlling party

The immediate parent undertaking is Intertek Holdings Limited.

The ultimate parent undertaking and controlling party is Intertek Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Intertek Group plc's consolidated financial statements can be obtained from the Group Company Secretary, 33 Cavendish Square, London, W1G 0PS, or on the website [www.intertek.com](http://www.intertek.com).